



CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20505

PUBLIC AFFAIRS

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18 May 1989

Mr. Howard L. Siers

STAT

Dear Mr. Siers:

Judge Webster has asked me to send you his ethics column for publication in MANAGEMENT ACCOUNTING. I understand that you also asked for some brief biographical information about Judge Webster that could accompany the article. I would recommend the following:

William H. Webster was sworn in as Director of Central Intelligence on May 26, 1987. He served as a Judge of the United States Court of Appeals for the Eighth Circuit from 1973 to 1978 and as Director of the Federal Bureau of Investigation from 1978 to 1987.

As requested, I have also enclosed a black and white photograph of Judge Webster and his official biography.

Please call my office if we can do anything further.

Sincerely,

STAT

Acting Director,
Public Affairs

Enclosures:
As stated

cc: Robert F. Randall

ARTICLE ON ETHICS FOR MANAGEMENT ACCOUNTING

In the past decade and a half, the American people have had to absorb some real confidence blows: Watergate, Abscam, Iran-Contra, Wedtech, the Wall Street capers. These events, and others, produce a sense of betrayal -- the word Robert Frost said was the saddest word in the English language.

I have spent half of the last 40 years in public service and the other half in the private sector. During that time, I have noted some common principles. The most important one is that truthfulness builds trust -- both in government and in business. This principle has been apparent to me in the legal profession, at the Federal Bureau of Investigation, and at the Central Intelligence Agency. Building trust through truthfulness is the same obligation that management accountants have both to themselves and to the organizations they serve.

As a lawyer and a federal judge, I have seen attorneys lose their case and their credibility by dissembling in court. An attorney who loses the trust of the court damages himself, his client, and his profession. Lawyers, like management accountants, are bound by rules of ethical conduct, and adherence to these rules is vital in fulfilling professional responsibilities and retaining the respect and confidence of the public.

I was appointed Director of the FBI in 1978 -- a time when trust in the Bureau was on the wane. In an effort to rebuild that trust, I made a practice of saying to each new class of Special Agents with whom I met: "If you forget

everything else I tell you, remember this: Each of you carries the reputation of the rest of us around in your pocket." That reputation is precious for those in law enforcement, whose ability to collect information depends on the cooperation of citizens.

Every organization needs a clear sense of mission and purpose, as well as clear guidelines on how to best carry out that mission. At the CIA, much of what we do must be done in secret, so the integrity of our organization can only be maintained by insisting upon compliance with laws and rules to ensure our citizens that we are indeed accountable. There are special safeguards and rules at the CIA to ensure truthfulness, candor, and the highest standards of ethical conduct. These rules apply to all our activities, from operations to the preparation of national intelligence estimates to our system of financial accounting.

When considering proposed covert activities, a review group at the CIA asks questions like: "Is the activity consistent with U.S. foreign policy?" "Is it consistent with American values?" "If exposed, would it make sense to the American people?" "Will it work?" Not all covert activities will succeed, but when they are subjected to this kind of scrutiny, we have the best chance of using our covert capability wisely and effectively.

The CIA's relationship with Congress is crucial, and I have made it absolutely clear that in dealing with Congress there is no excuse for deception. CIA officers who feel uncertain about answering a particular question when briefing Congress have been instructed to refer the question back to CIA Headquarters. I am prepared to take the heat or to work out

arrangements with Congress. But we will not give half-answers or around-the-corner answers and leave Congress with the feeling that we have been disingenuous with them.

The intelligence information that the CIA provides to policymakers must be useful and timely, but it must also be objective. The Director of Central Intelligence and the people who analyze the information must not be seen as "cooking the books" or attempting to influence foreign policy decisions. Because the quality and objectivity of the intelligence we provide is so important, I have taken a number of steps to ensure that we will "tell it like it is," avoiding bias as much as we can. Policymakers can ignore, tear up, or throw away our intelligence estimates, but they cannot change them.

Financial activities at the CIA are carefully reviewed because the nature of our work requires some officers to carry and disburse very significant sums of money. Our Inspector General's Office conducts more than 80 financial audits a year to ensure compliance with financial rules and regulations. We are very proud of the fact that in this Agency's 40-year history, there has never been a procurement scandal or a significant misappropriation of funds.

Discussing ethics is important, and courses offered by the CIA to employees provide an opportunity to explore and address ethical questions. These courses seek to make each employee aware that even the appearance of unethical behavior undermines the public trust which is the cornerstone of the CIA's authority and mission to conduct activities beyond public view and knowledge.

I have frequently made the point that at the CIA, we have to take risks, but the risks have to be associated with ethical principles -- principles with which the general public is comfortable. The risks must not put us afoul of the Constitution, our laws, or our own internal regulations.

Perhaps the best way of elaborating on the ethical standards at CIA is by describing the kind of people we look for to fill our ranks -- people who are dedicated and responsive to law and discipline. People who understand and play by the rules.

I have been fortunate to work with many such people in my lifetime, people in and out of government who have the highest ethical standards. These are the people who have made the greatest contribution to their organizations and who have earned the admiration and respect of their colleagues.